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C O N F I D E N T I A L SECTION 01 OF 02 CANBERRA 000310

SIPDIS

STATE FOR T, PM/DAS GSUCHAN, EAP/C, EAP/ANP

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TAGS: [PARM](#) [PREL](#) [ETTC](#) [ETRD](#) [AS](#) [CH](#)

SUBJECT: AUSTRALIA'S VIEW ON THE EU'S INTENTION TO LIFT ITS
ARMS EMBARGO AGAINST CHINA

REF: A. USEU BRUSSELS 299

[1](#)B. CANBERRA 298

Classified By: DCM WILLIAM A. STANTON FOR REASONS 1.4 (A, B AND D).

[1](#)1. (C) SUMMARY: Several articles in the Australian press over the past several days have miscast the GOA's policy on the EU's professed intention to lift its ban on arms exports to China. Contacts at the Department of Foreign Affairs and Trade (DFAT) have assured us that the GOA fully shares the USG concern about the introduction of any new destabilising armaments or technologies in the Asia Pacific region, and is vigorously demarching EU capitals to reinforce this message and to press for consultations with Australia before the ban is lifted, given Australia's stake in the region. The GOA has not joined in on USG and Japanese demarches in EU capitals, however, because Canberra lifted its arms export ban in 1992, and therefore has not wanted to risk weakening U.S. and Japanese arguments. Foreign Minister Alexander Downer has been particularly active with EU counterparts in recent weeks to urge them to do nothing that would negatively impact on the strategic balance in the Pacific region, emphasizing that the GOA's rigorous application of its export controls has meant that its lifting of its ban in 1992 has proven merely symbolic. End Summary.

[1](#)2. (C) In the February 12-13 weekend edition of the conservative "Australian" newspaper, the normally reliable Australian journalist Greg Sheridan had a front-page article entitled "PM Defies Bush Over China Arms" in which he alleged that FM Alexander Downer "will not oppose the EU lifting the arms embargo imposed after the 1989 Tiananmen Square massacre." A related article in the same edition by defense journalist John Kerin asserted that, "A number of Americans believe that Australia has been both bribed and bullied by the Chinese to the extent that we have lost sight of our own interests." FM Downer immediately refuted the articles, commenting that since the GOA had lifted its Tiananmen-inspired arms ban on China back in 1992, it was not able to make the argument to the Europeans that they should not do what it had already done. Rather, he had told both the EU Commission and EU Presidency some 10 - 12 days earlier that, if the EU should lift its embargo, it should do so in a way that "has no impact on the power balance or the strategic structure of the East Asian region," and in addition, Australia expected to be consulted on the details of the EU Code of Conduct on Arms Transfers.

[1](#)3. (C) On February 14 we checked with Richard Neumann, Executive Officer on the DFAT China Desk, on the veracity of Sheridan and Kerin's articles. Neumann told us the China desk had briefed Sheridan about the GOA's policy for his article, but Sheridan had deliberately chosen to get the story wrong, presumably because it made a splashy front page headline. In fact, Neumann stressed, the GOA did oppose the EU lifting its ban, concerned that European technology could tip the strategic balance in the Asia Pacific region or have other unintended consequences, but had to couch its arguments in terms of making sure the Europeans were doing it right if they proceeded.

GOA POSITION ON THE EU ARMS EMBARGO

[1](#)4. (C) On February 17, we sought more information from Neumann and Jane Lambert, DFAT Defence Policy and Liaison Office Director. Neumann handed us a non-paper which laid out the GOA position. Begin Text:

EU Arms Embargo

-- Australia shares the United States' goal of not wanting to see the introduction of any new destabilising armaments or technologies in the region.

-- We have made this clear to EU members:

- during Mr Downer's recent visit to Europe, he urged interlocutors to ensure that in (the) event of the EU embargo being lifted, the EU should have a comprehensive, transparent and robust export control regime or code of conduct in place;

- such a code is required to prevent the introduction of any new armaments or technologies in the region that could upset the balance of power, be used against allies or to abuse human rights;

- Mr Downer also urged the EU to consult with Australia and others with direct interests in the region in formulating its strengthened Code of Conduct.

-- Australia's approach on lobbying the EU to keep its present embargo in place was different from the United States' as Australia does not have an arms embargo as such in place:

- Australia's embargo was relaxed in 1992.

-- That said, Australia has an effective, robust export control regime in place and in practice, has not exported armaments or militarily significant technologies to China;

- Australia considers proposals for defence-related exports, including to China, on a case-by-case basis, taking into consideration a number of criteria, including possible impact on human rights, regional security and on allies.

END TEXT OF NON-PAPER.

15. (C) Lambert and Neumann elaborated that China had never raised the EU arms embargo issue with Australia, nor Australia with China, but the GOA had raised it many times with EU members. FM Downer had done so in particular with the French Foreign and Defense Ministers on his swing through Europe in early February, as well as to the EU Presidency in Luxembourg, pressing for a robust and transparent Code of Conduct and strict application of export controls. Since the GOA had no ban in place, its argument to the Europeans was based on the premise that its own arms exports to China since 1992 had actually been negligible, both in terms of dollar value and military significance, consisting mainly of sporting guns. Each export request to China was carefully vetted case-by-case. In fact, the GOA had not joined in U.S. and Japanese demarches in Europe because it did not want risk weakening Washington and Tokyo's arguments. However, another of Downer's main themes in his individual approaches was that Australia expected the Europeans to consult with Canberra on issues of strategic significance in the Pacific region; the consequences for Australia were "immense."

16. (C) Lambert told us that, at a private dinner earlier in the week for all the Australian Heads of Mission in Europe, FM Downer had instructed his Ambassadors to make this issue a priority. Lambert was at that moment drafting an instruction cable to all Australian embassies in EU countries to reinforce Downer's message on the need for consultations and to respect Australia (and Japan's) strategic interests, as well as the need for a clear understanding, prior to lifting the ban, of what it would actually mean, and how it would be implemented. Australia wanted more information, Lambert said, on both the EU "Toolkit" and Code of Conduct (Ref A), and on what sort of signal on human rights by the Chinese would be sufficient to lift the ban. She also frankly noted Australia's desire to maintain its military "edge" in the region (Ref B), adding that DFAT had also raised its concerns with the British during February 9 bilateral Pol-Mil Talks in Canberra.

SCHIEFFER